

*Moultonborough*  
*2013-2014 School Budget*  
*Recommendations and Comments*



Advisory Budget Committee

*Tuesday, February 12, 2013*

February 12, 2013

To the Members of the School Board, Superintendent  
Moultonborough School District  
Moultonborough, New Hampshire 03254

The ABC has completed its' review of the 2013-2014 proposed School Budget. The Committee began its comprehensive review of the 2013 budgets constrained by the absence of both a full time at large member and an alternate member at large. The economy continued to be sluggish. The community demographics continue to provide challenges to the Town as student enrollment continues to experience decline (110 students in the past five years, 16%). In addition, the senior administrative staff at the SAU experienced a change in Superintendent, Central School Principal, Special Education Administrator and elimination of the Central School Assistant Principal.

The ABC would like to draw attention to the effort undertaken this year by the School Board, Superintendent, Business Manager, Principals and Senior Administration to address the issue of balancing declining enrollment with adequate and appropriate education for all students. The ABC commends and supports all efforts taken to date and will continue to support all serious proposals for improvement going forward in response to the declining number of youth in the community. It is not easy to simultaneously work to improve while responding to reductions. Decisions related to future employment opportunities for long standing staff members are difficult and not made without serious deliberation and exploration of viable alternatives. This Committee commends all those involved in the current and future restructuring of the educational system for their professionalism, seriousness and sensitivity demonstrated to date.

The following report represents the independent opinions and suggestions of the majority of the Advisory Budget Committee Members. We note that selected opinions expressed in this report do not carry 100 % Committee support. Opinions and suggestions offered by the ABC represent our best efforts to maximize efficiencies, spending power and to consolidate redundancies between various elements of Town-wide Administration (School, Library, and Town). None of our suggestions or opinions should be viewed as a negative reflection of the dedicated work done by the School Board Members, Superintendent or School Administrative Staff and Teachers.

#### **Budget Summary:**

The proposed School Operating Budget for 2013-2014 represents \$13,996,856 as compared to \$14,057,028 for the prior year 2012-2013. This represents a decrease of \$60,172; a .43 % year-over-year decrease. Included in the year over year decrease is a reduction in cost of approximately \$355,374 due to the retirement of 1.5 MCS staff, the elimination of the MCS Assistant Principal Position, elimination of a .5 AD/PE position and elimination of a .5 Community Ed position. Additional savings of \$129,825 are attributable to combined reduction in force of a .7 music teacher, a .5 PE position and a .5 art position. Further reductions include \$26,853 for elimination of 3 department head stipends, 3 unit leader stipends and selected co-curricular stipends, \$31,139 of general supplies, \$14,861 NEASC accreditation fees, \$11,657 for printing, postage, phone, legal advertisements, \$52,625 for contracted SPED services and \$18,329 of facility related cost reductions. Offsetting the reductions are increases of \$187,133 for NH retirement, \$161,407 in health care premiums, \$96,000 in salary increases representing 2.1% increase per a previously negotiated contract, \$38,345 (2.1%) in salary increases for non-union staff, \$88,953 in tuition and transportation for out of district SPED placements and \$8,653 for miscellaneous general expenditures. The following represent our collective observations and comments.

## OBSERVATIONS & COMMENTS:

**Salaries:** The proposed budget 2013-2014 includes the impact of the salary increases from the three year collective bargaining agreement negotiated in 2012. Teachers' combined salaries and wage based employee benefits for the 2013-2014 budget were increased on average by 2.1%. Administrative and non-contractual salaries increased an average of 2.1% plus the added cost of associated wage based employee benefits.

**Health Benefits:** The increasing cost of health related benefits continues to be a nationwide concern. The latest Collective bargaining contract signed in 2012, for the first time provided language that would allow either or both parties to work together to examine options to current health insurance plans with the goal of identifying options that offer equal or better coverage at a savings to both the District and the employee. The ABC continues to request that the District undergo competitive analysis (contractual and non-contractual positions) of its current "Benefits" package including, employee/employer benefit contribution rates and initiate alternatives for reducing the overall cost of health benefits while continuing to provide competitive coverage to its employees. In addition, we request that the district look for ways to incentivize the current staff (similar to the recent Town incentive offer) to migrate from the traditional COMP 1000 plan to the less costly options currently being offered as alternatives.

**Co-curricular costs:** The Committee commends the effort undertaken during this budget cycle to review and adjust where appropriate the amount collectively paid in Co-Curricular Stipends. Specifically, we have commented in the past on Stipends paid at MCS for three Unit Leader positions and at the Academy for several Department Head positions. We are pleased that the Administration has eliminated the three Unit Leader stipends at MCS and three additional Depart Head stipends at the Academy. In addition, several co-curriculum stipends have been eliminated. This Committee has advocated co-curricular stipends should be restricted to after-school non-academic programs. The committee believes there is still an opportunity for reduction in the overall budget by further review. We recommend that the Administration continue its' review and adjust where appropriate.

**Technology:** Since 2007 the District has embarked on a program to update the technology in Classrooms (program listed in the technology budget detail as "21<sup>st</sup> Century Classrooms"). In our reports of 2011-2012 and 2012-2013 we addressed the subject of Technology in detail. The Committee is encouraged to see that the "Pilot i Pad" program commenced in 2012-2013 for grades three and seven will be expanded to include grades four and eight during the 2013-2014 school year. We believe the district is making adequate progress towards developing and implementing the concept of the 21<sup>st</sup> Century Classroom. While this Committee supports the concept of the 21<sup>st</sup> Century Classroom we believe our ongoing message has not been adequately understood. Simply stated, we believe emphasis needs to be placed on 21<sup>st</sup> Century Technology Education. 21<sup>st</sup> Century Classrooms are a component in a well-defined Technology Education program; not the end product.

We continue to strongly believe that the district needs to turn its focus to Technology Education. We are encouraged and supportive of the new program offering titled "**Real World Design Challenge**". We feel strongly that this is a great opportunity to integrate problem solving skills with technology. We encourage participation in this program and strongly support the Administration in developing additional similar opportunities.

*"The Real World Design Challenge is a FREE annual high school competition run by a public-private partnership with the goal of sustainably increasing the Science, Technology, Engineering, and Mathematics (STEM) workforce. Teams of 3 – 7 students take on a design challenge. Numerous designers, mentors, and judges from across industry, government, and academia have been key to the success of the program by donating their expertise to design the Challenge, share their knowledge with students, and evaluate the students' work. The Challenge is "Real World" in the following ways:*  
*Real Problem:* An Industry defined problem provides a practical application of classroom curricular  
*Real Tools & Resources:* Inspire students by showing them what is at their fingertips  
*Real Roles for Students:* Require teamwork, leadership, innovation, & problem solving skills  
*Real Contribution:* Students can make a difference by solving industry-based problems"

In response to our concerns two years ago, the District Technology Committee expressed interest in putting forth a future detailed "Technology Roadmap" bringing Technology for the District to a "State of the Art" level. It was the intent of the Technology Committee to develop a district technology road map and vision, a three to five year plan leading to one computing device per student. We continue to strongly believe the emphasis of this five year roadmap should be on "Technology Education" versus a five year plan focusing on providing one computing device per student. Providing one device per student may in fact be part of the overall program but should not be the focus of the "Roadmap". The committee continues to believe that a well-developed plan including current technology training and education is critical for adequate education of our students.

The roadmap should be well documented; it's targeted educational goals and objectives should be explained in detail; the methods of measuring improved educational results should be part of the written plan as well should the different research approaches that will produce the measured results. The town should have a clear understanding of what the technology research goals are on an annual basis and over the long term, how the school will be measuring value to education as a return for the town funding the program(s).

The Committee notes that the Superintendent has agreed to reconvene a Technology Committee for the purpose of completing the "Roadmap" and exploring technology education. Based upon conversations with the superintendent, we believe that the current administration understands these concerns. The Administration and ABC are in agreement that the new committee may require a separate and distinct skill set from the Technology Committee charged with the 21<sup>st</sup> Century Classrooms. A successful technology education program will require continued support and close coordination with the existing Technology Committee overseeing the implementation of the 21<sup>st</sup> Century Classrooms.

**Reserves:** Senate Bill 373, passed in 2012, *"allows school districts to vote to retain year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 % of the current year's net assessment pursuant to RSA 198:5, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and over-expenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate."* Prior to SB 373 school districts had to return to the Town's general fund any year end remaining fund balance. Moultonborough typically returned anywhere from \$50,000 to \$200,000. Any monies returned would offset the current tax rate.

SAU 45 has placed a warrant article for vote at this year's Town Meeting to adopt SB 373 allowing them to retain a portion of this year's fund balance for emergency use under this provision. This committee supports the warrant article which would allow the District to maintain general reserves not to exceed 2.5 % of the operating budget. Excess fund balance could accumulate over time up to the 2.5 % Limit. We anticipate that during the initial year of implementation deferral of any excess fund balance above the budgeted return of \$50,000 would result in approximately a \$.04 increase in the tax rate.

**Staffing levels:** As mentioned above the Board and Administration have undertaken a significant effort to address the issue of balancing declining enrollment with adequate and appropriate education for all students. While enrollments continue to decline, teacher staffing will continue to become increasingly complex and challenging. Estimating when the decline will level off (the projected future "normal") is critical to the long term success of the decisions currently being made. The administration will be conducting a forward looking demographics study. We support this effort.

We encourage continuation of the current approach to evaluate alternatives. We support the efforts currently underway to alternate courses between years, combine classes, and seriously evaluate "Distance Learning" with our neighbors at Interlake's and Kingswood. Distance Learning has been effective at the college and university level for 15 + years. We further note that "Distance Learning" does not have to be restricted to our neighboring towns. In many cases "Distance Learning" would provide the students with the opportunity to interact with a large and intellectually diverse student body. This atmosphere will be aligned with the college experience many will encounter post high school graduation.

The ABC continues to suggest that emphasis be placed on hiring teachers who are certified to teach several different courses. If the present trend of smaller classes for certain elective courses continue, it is incumbent on the Administration to have maximum flexibility for assigning teachers to a wider range of subjects. This approach would allow as many courses as possible being offered with minimal staff reductions. It is also recommended that existing teachers continue to become certified in additional subjects. All future academic hires at MA should be certified in a minimum of two subjects.

**Course curriculum:** Moultonborough's economically diverse population and high property tax base affords us a unique opportunity to provide, for all our children, a level of education that most other communities of similar size in the State find cost prohibitive. The Town will vote to spend approximately \$14,000,000 to educate our children during the 2013-2014 school year. With the resources available to this Town, our parents and children should expect and receive a world class education.

The ABC commends and supports the efforts undertaken by the Moultonborough Central School this year to realign their schedule with major emphasis on "Core Curriculum" while still maintaining "specials" and "enrichment" opportunities. "Core Curriculum" at the elementary level is the foundation that all future higher learning is based on.

The committee supports the current efforts underway at the Academy to alternate some courses biannually, consolidate classes where feasible and begin to add a Technology Education based offering. We continue to be concerned that the current course offerings at the Academy do not provide the most effective use of the \$14,000,000 voted by the taxpayers for education. We have reviewed the course offerings in detail and identified the following non-core educational courses that we believe should be replaced with academic courses in the disciplines of Math, Science, English, History and Technology. The courses in question are: Ceramics, Movements in Art & Literature, Drama, Music Technology and Music Theory, Video, Photography, Drawing, Design and Digital Imaging. The Committee does note that many of these courses are among those targeted for biannual offering starting in 2013-2014. We believe this is a positive move. As an alternative option, we strongly encourage students to participate in the vocational education programs being offered in Wolfeboro.

The Committee notes that the Region 9 Vocational Education Center in Wolfeboro offers vocational education courses to MA students in the following subject areas: Administrative Business and Office Systems, Agricultural Science I and II, Automotive Science I and II, Auto Collision repair, Child Care I and II, Construction Trades I and II, Culinary arts I and II, Health Science and Technology I and II, Computer Network systems I and II, Marketing Education I and II, Hospitality Education I and II, Multimedia Communications I and II. The ABC met with the Director and toured the Wolfeboro program recently. The program is designed to have all students upon graduation either enrolled in higher education or immediately ready to enter the skilled workforce. It is our opinion that this is a world class program.

These programs while made available to MA students are not widely attended. We believe that all non - college bound students should be strongly counseled to avail themselves of maximum participation in these vocational offerings. We understand that Moultonborough is limited by formula to the number of students that can participate, however this program is currently underutilized. We are encouraged to learn that there is a new effort underway at the Academy to more fully explain the value of this program to all MA students and parents. We strongly support this effort.

We also note that Kennett High School has a similar program and encourage parents and administration to look at what arrangements for opportunities might also be available there.

**Conclusion:**

As stated above, the budget for 2013-2014 as presented by the District reflects a .43 % decrease (\$60,172) over the 2012-13 school year. This has been a challenging year for the Board, Superintendent, Business Manager, Principals and Senior Administration as they began the process of addressing the issue of balancing declining enrollment with adequate and appropriate education for all students. The ABC commends and supports all efforts taken to date and will continue to support all serious proposals for improvement going forward in response to the declining number of youth in the community. Change of this kind can be difficult. The ultimate goal is to provide the most valuable education we can to our students. In order to accomplish this goal it is imperative that the entire community work together in an open and cooperative manner to support the efforts currently undertaken to enhance the education of our children.

***A good measure of return on the Towns annual education investment is how well each graduating student is prepared for either a clear path to continued higher education or skills to immediately enter the work force.***

Respectfully submitted,

*Jean Beadle, Chair – ABC*

Moultonborough Budget Advisory Committee

Alan Ballard

Jean Beadle

Kathy Garry (School Board Representative)

Barbara Sheppard (Library Trustee Representative)

Betsey Patten (Select Board Representative)